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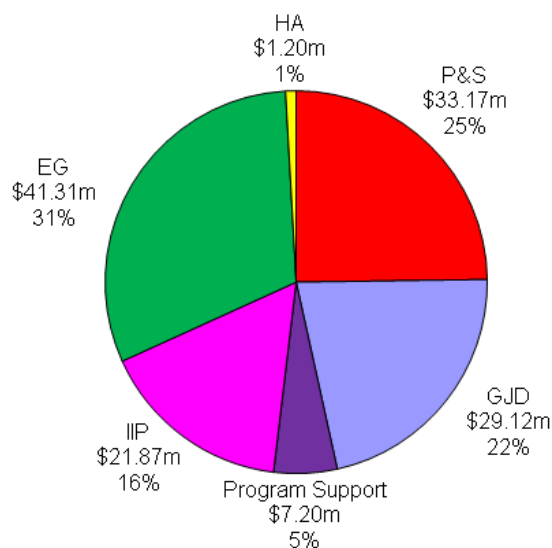
UKRAINE

U.S. FOREIGN ASSISTANCE PERFORMANCE PUBLICATION Fiscal Year 2009

FY 2009 FOREIGN ASSISTANCE GOALS

While progress on improving government transparency and responsiveness in the wake of the 2004 Orange Revolution has been slower than most had hoped, Ukraine remains on the path of democratic and economic transition – a path that is in the United States’ interest to support. The goal of U.S. Government (USG) assistance is a democratic, prosperous, independent, law-abiding, and secure Ukraine fully integrated into the Euro-Atlantic community that can serve as a key partner of the United States. In FY 2009, the USG helped Ukrainians strengthen institutions that promote democratic, judicial and market reform, human rights, security, and economic growth. In the area of Peace and Security, programs aimed to harmonize Ukraine’s law enforcement systems, to modernize Ukraine’s military to enable NATO interoperability and peacekeeping deployments, and to construct a new safe shelter over the destroyed Chornobyl nuclear reactor. Democracy programming aimed to increase government accountability, spurring NGO advocacy, combating corruption, reforming the courts and law enforcement structures, and creating an environment conducive to a free and fair 2010 presidential election. Health programs addressed serious health threats like HIV/AIDS and tuberculosis and improved maternal, reproductive, and child health outcomes. Economic programs helped Ukraine in strengthening the bank resolution processes, building trade and investment capacity, restructuring the agricultural sector, developing financial services, strengthening local economic development, and promoting energy security through energy efficiency and nuclear fuels diversification. Humanitarian assistance supported the most vulnerable through provision of medicines, clothing, and adequate shelter, as well as hospital equipment to Crimea.

TOTAL FY 2009 FOREIGN OPERATIONS APPROPRIATED ASSISTANCE: \$133.88 MILLION*



FY 2009 Areas of Focus

EG: Economic Growth

P&S: Peace and Security

GJD: Governing Justly and Democratically

IIP: Investing in People

HA: Humanitarian Assistance

(*Foreign Operations funding appropriated for FY 2009, including supplemental appropriations under the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Public Law 110-329), not including \$5.94 million in Peace Corps funding and centrally managed, regional Foreign Operations funding that is not budgeted for specific countries. Humanitarian Assistance total does not include the value of donated humanitarian commodities transported by the Department of State, estimated at \$14.44 million in FY 2009.)

HIGHLIGHTS OF FY 2009 PERFORMANCE BY AREA OF FOCUS

Peace and Security

In FY 2009, USG assistance:

- Continued to make progress in preparation for construction of the Chernobyl Shelter Project, with the Ukrainian authorities granting concurrence to the Concept Design Safety Document for New Safe Confinement, a critical milestone for the project. The shelter contractor also commenced construction mobilization, which included bringing staff up to 623 workers and procuring cranes, excavators, and other equipment.
- Procured weapons of mass destruction (WMD) detection equipment (e.g., WMD test kits/field detection systems, radiation detection equipment, computers) for the Ministry of Environmental Protection, which is using it to detect and secure materiel
- Contributed to efforts to help the State Border Guard Service (SBGS) adopt a human resources system that meets the European Union's (EU) Schengen standards. Instructions for the Career Development of Citizens of Ukraine in the SBGS were approved by the Cabinet of Ministers in October 2009. The project is being submitted for the European Commission's "Project of the Year" award.
- Supported Ukraine's cooperation with NATO as Ukraine developed and submitted its Annual National Program, conducted Operational Capability Concept certification of specific Joint Rapid Reaction units, and remained the only Partnership for Peace Partner

Country to participate actively in every NATO-flagged military operation, including the continued presence of a battalion in Kosovo and participation in Operation Active Endeavor.

- Helped the Government of Ukraine (GOU) establish a sustainable system of victims of trafficking (VoT) identification, referral, and assistance known as the National Referral Mechanism (NRM), by supporting necessary legislative change, sharing technical expertise, developing the capabilities of government officials to assist VoT, and advocating for the establishment of effective cooperation with non-governmental service providers. Since USG counter-trafficking-in-persons efforts began in 2004, 30 NGO members of the NRM have assisted 2,115 VoTs. In FY 2009, more than 250 newly registered VoTs received direct reintegration assistance. Approximately 1,000 members of the clergy built skills in trafficking-related issues to improve service delivery, and at least 18 new anti-trafficking projects were initiated by faith-based organizations.
- Funded the development of Trafficking in Persons (TIP) Investigative Guidelines, which have been positively received by Ukraine's Supreme Court and General Prosecutor's Office. Both recommended use of the guidance in the daily work of Ministry of Internal Affairs (MOI) investigators specializing in TIP cases and as part of MOI's standardized course curriculum. The Guidelines have been distributed in the MOI, Supreme Court, and General Prosecutor's Office in a positive example of GOU interagency cooperation and coordination.
- Assisted Ukraine's National Security and Defense Council to develop a plan for the structural reform of the law-enforcement system, including how better to prosecute corruption
- Strengthened the MOI's Forensic Center with a view to receiving future European-Compliant ISO 17025 accreditation
- Supported former weapons scientists in non-weapons research through the Science and Technology Center – Ukraine

Governing Justly and Democratically

In FY 2009, USG assistance:

- Enabled civil society organizations to increase court-monitoring programs from 59 to 89 courts. Fourteen courts improved their performance after incorporating civil society recommendations.
- Broadened access to justice through support for a network of legal service providers that served Ukraine's most vulnerable populations. In FY 2009, legal clinics provided over 5,200 consultations, undertook over 1,400 administrative actions, and filed over 600 lawsuits on behalf of marginalized citizens.
- Supported the regular conduct of public hearings by the Ukrainian Parliament and the maintenance of websites to enhance public outreach and access. Two new committee sites were launched in FY 2009, and 10 are now online. Building on a 26 percent Parliament cost-share of dormitory and office space for the USG-sponsored intern program, the Parliamentary Rules Committee recommended a 2010 budget line fully to fund intern

stipends. The Ministry of Justice was also a major partner in piloting new techniques for citizen input. For example, 181 individuals provided substantive feedback to a draft law on lobbying posted on the Internet. Twenty public libraries established citizen access points to expand citizen access to government information and promote its effective use, representing increased transparency.

- Supported the development of a wide coalition that produced a progressive Access to Information bill, which was registered in Parliament for debate. Another USG initiative supported 52 media projects that bolstered the quality of journalism in Ukraine, including one that created a network of seven organizations aimed at raising the credibility of media through the monitoring of over 90 Ukrainian outlets in 17 regions. USG assistance equipped journalism school studios in three cities providing practical experience in web design, digital media, and TV production. Another USG program trained 400 regional government press officers to redefine their role to provide the public with information about governmental activity so that public officials can be held to higher standards.

Investing in People

In FY 2009, USG assistance:

- Ensured improved AIDS prevention services for most-at-risk populations, reaching over 199,000 injection drug users (IDUs), nearly 33,000 people involved in commercial sex work, and over 22,000 men who have sex with men. With Ukraine's epidemic driven largely by intravenous drug use, particular attention was given to the pilot implementation of methadone-based treatment programs in three provinces for 150 HIV-infected IDUs, 30 of whom were women, while expanding services to additional regions to accommodate up to 300 clients. Over 62 million USG-donated male condoms and 450,000 female condoms provided to Ukraine significantly supported prevention efforts.
- Promoted World Health Organization (WHO) recommended strategies for tuberculosis (TB) diagnosis and treatment and built GOU capacity to provide effective and timely laboratory diagnosis of TB. Successful performance of microscopy diagnosis improved in 79 percent of targeted laboratories. USG programs helped develop and disseminate Ukraine's first protocol on drug-resistant TB case management, and facilitated the launch of an online TB case management tool to enable the Ministry of Health (MOH) better to monitor drug prescription practices to help contain rapid increases in multi-drug resistant TB.
- Facilitated the preparation and adoption by the GOU of 11 policy and regulatory documents on issues such as the National AIDS Law, voluntary counseling and testing for MARPs, methadone-based treatment for HIV-infected IDUs, HIV/AIDS drug and commodity procurement, and support for vulnerable children. A National Operational Plan to prevent HIV in children and support youth who are HIV-positive or at-risk of HIV was finalized and submitted to the Ministry of Family, Youth, and Sports for approval.
- Worked with partners to align Ukrainian prenatal practices with WHO recommendations and evidence-based medicine. As a result, enhanced prenatal care has improved the quality and outcome of 47 percent of deliveries in Ukraine in 2009 and been instrumental in assisting Ukraine to reduce maternal mortality rates by 2.9 percent since 2005.

- Trained over 2,250 Ukrainian health care professionals in infection control, quality improvement, neonatal resuscitation, communication and counseling, and prevention of parent-to-child transmission of HIV. With the addition of three new regions this year, USG technical assistance for Maternal and Child Care reaches 80 percent of Ukrainian regions. As a result, nearly 150,000 Ukrainian mothers received active management of the third stage of labor, and over 153,000 newborns received essential newborn care in 2009, in both efforts exceeding planned annual targets.
- Increased the Ukrainian population's access to modern family planning (FP) services to slightly over 50 percent of the population, representing a three-fold increase in access since the initiation of USG support approximately ten years ago. The USG also increased awareness of modern FP methods among 850,000 Ukrainians in 13 participating regions. National and local level partners have demonstrated increased leadership and commitment in organizing an annual family planning campaign, which reached an additional seven million Ukrainians through mass media channels this past year. Evidence shows an increased number of young couples between the ages of 18 and 30 are now visiting FP facilities.
- Enabled local partners to mobilize about \$600,000 in 2008 from regional government budgets to implement FP activities and undertake contraceptive procurement for vulnerable groups. This effort, coupled with the distribution of five million condoms procured by the MOH and donated by the USG, improved contraceptive availability and helped prevent sexually transmitted infections among vulnerable groups and youth. For those who qualified for assistance, the MOH provided free contraceptives to over 100,000 couples in FY 2009 as compared to 64,000 couples in FY 2008.
- In the education sector, helped design and establish a consortium of four well-known universities to ensure access of 60,000 professors and students to a wide array of academic information sources, including 60 academic databases

Economic Growth

In FY 2009, USG assistance:

- Helped Ukraine meet World Trade Organization (WTO) commitments and EU export requirements in food safety standards and customs and government procurement. Ukrainian legislation now requires food producers to comply with Hazard Analysis and Critical Control Points (HACCP), a basic international standard. USG partners developed a National HACCP compliance guide, which is being integrated into the operations of food control agencies. Small businesses, which employ over six million Ukrainians, do not have resources to pay for consultants to integrate HACCP, so USG assistance funded the development of two HACCP manuals for small and medium enterprises (SMEs). A total of 65 SMEs have already begun adopting HACCP standards. Furthermore, USG assistance harmonized Ukrainian livestock and animal protein product standards and helped the GOU draft a new Customs Code recently registered in Parliament. Both are in line with WTO requirements and EU standards.
- Brought city and business leaders together to create common economic development plans that articulate goals such as small business growth, investment attraction, and tourism, then helped municipalities implement the plans through better marketing of the municipality and preparing land for investment. As a result of such a plan in the city of Ivano-Frankivsk,

Tyco Electronics invested \$50 million in an automotive cable plant, which created 3,000 jobs when the plant was officially opened in October 2008.

- Supported the delivery of 42 Westinghouse fuel assemblies to the South Ukraine Nuclear Power Plant complex. These fuel assemblies constitute a quarter of a full reactor core. Following USG support, Ukraine has contracted to purchase Westinghouse fuel for three more reactors starting in 2011, with an option to expand fuel supplies to six reactors.
- Provided support to the Ukrainian State Committee on Labor Safety (USCLS), the primary agency responsible for workplace safety. As a result of USG support, since 1999, the average annual death rate in the mining industry has been cut in half, and the number of injuries has been reduced by two-thirds. The USCLS has reformed several of its mine safety supervision policies, including streamlining of the accident report process. USCLS has also implemented new procedures for accident investigation, focusing more on the technical causes of an accident and the creation of preventative measures, rather than on assigning blame. In addition, as a first step towards establishing a system of roving safety inspectors, the USG supported the creation by USCLS of four safety inspection field offices in the Donetsk oblast.
- Supported the formation of public-private sector advisory councils at the Ministry of Agricultural Policy, Cabinet of Ministers, and Presidential Administration. Through these councils, the USG supported lifting restrictions on grain trade, leading to an increase in grain exports from 3.7 million tons in 2008 to 24.7 million tons in 2009. The councils have also provided space for debate, ensuring that the GOU did not impose other export restrictions that have been common during difficult economic times. Other laws and regulations adopted included the “Law on Value Added Tax,” which rationalized and lowered taxes for farmers, increasing tax compliance and collections by approximately \$62 million in 2009 over collections in 2008.
- Enabled a group of prominent veterinarians to visit the United States to learn about animal disease risk assessment. When the H1N1 flu outbreak occurred in Ukraine and the GOU instituted a ban on pork imports, these veterinarians implemented a science-based approach to the outbreak; two weeks later the pork ban was lifted and trade resumed.
- Enabled Ukrainian municipalities to improve the operations of One-Stop Shops (OSS), (which have proven to be an effective tool for making the process of obtaining permits more transparent and efficient), by developing simplified permit procedures and training local officials responsible for issuing permits. Among OSS customers, the number of businesses experiencing corruption decreased by 18 percent. This progress is significant given that the 2010 Doing Business World Bank survey estimated that Ukraine has the third worst permitting system in the world, costing businesses over a billion U.S. dollars annually.

Humanitarian Assistance

In FY 2009, USG assistance:

- Was provided to vulnerable children, including non-medical items such as blankets and warm clothing to institutionalized children and those from low-income and internally displaced persons (IDPs) families

- Provided medical consumables through recipient institutions and through the Mobile Medical Units serving remote villages and IDP settlements in the Donetsk, Luhansk, and Crimea regions of the country
- Provided donated medical supplies and equipment to hospitals and clinics in the Donetsk, Luhansk, and Crimea regions, and provided structural repairs to some medical posts